

AMENDED IN ASSEMBLY AUGUST 28, 2002

AMENDED IN ASSEMBLY JUNE 19, 2002

AMENDED IN SENATE APRIL 1, 2002

SENATE BILL

No. 1580

Introduced by Senator Burton

February 20, 2002

An act to amend Section 22200 of, and to add Section 22200.5 to, and to repeal and add Section 22200 of, the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

SB 1580, as amended, Burton. Teachers' Retirement Board.

Under existing law, the State Teachers' Retirement System and the State Teachers' Retirement Plan are administered by the 12-member Teachers' Retirement Board, as specified.

This bill would, *operative January 1, 2004*, revise the composition of the membership of the board, as specified. *The bill would also* provide for the election or appointment of those members, and specify the terms and qualifications of those members who do not serve ex officio.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 22200 of the Education Code is~~
2 ~~amended to read:~~

~~22200. (a) The plan and the system are administered by the Teachers' Retirement Board. The members of the board are as follows:~~

~~(1) The Superintendent of Public Instruction.~~

~~(2) The Controller.~~

~~(3) The Treasurer.~~

~~(4) The Director of Finance.~~

~~(5) One person who, at the time of appointment, is a member of the governing board of a school district or a community college district. The member shall be appointed by the Governor for a four-year term from a list submitted by the Superintendent of Public Instruction.~~

~~(6) Four persons who are either members of the Defined Benefit Program or participants in the Cash Balance Benefit Program, as follows:~~

~~(A) Two persons who, at the time of election, are active members of the Defined Benefit Program or active participants of the Cash Balance Benefit Program employed by a school district that provides instruction for grades K to 12, inclusive, or county office of education, in a position other than a school administrator that requires a services credential with a specialization in administrative services. These members shall be elected by the active members of the Defined Benefit Program and active participants of the Cash Balance Benefit Program who are employed by a school district that provides instruction for grades K to 12, inclusive, or county office of education, pursuant to regulations adopted by the board, for four-year terms commencing upon the expirations of the terms in existence on January 1, 2003.~~

~~(B) One person who, at the time of election, is an active member of the Defined Benefit Program or active participant of the Cash Balance Benefit Program employed by a school district that provides instruction for grades K to 12, inclusive, or county office of education. This member shall be elected by the active members of the Defined Benefit Program and active participants of the Cash Balance Benefit Program who are employed by a school district that provides instruction for grades K to 12, inclusive, or county office of education. This member shall be elected pursuant to regulations adopted by the board, for a four-year term, commencing upon the expiration of the term of the~~

1 member that is an officer of a bank or a savings and loan institution
2 appointed by the Governor prior to January 1, 2003.

3 ~~(C) One person who, at the time of election, is a community~~
4 ~~college instructor and an active member of the Defined Benefit~~
5 ~~Program or active participant of the Cash Balance Benefit~~
6 ~~Program employed by a community college district, who shall be~~
7 ~~elected by the active community college members of the Defined~~
8 ~~Benefit Program and active community college participants of the~~
9 ~~Cash Balance Benefit Program. This member shall be elected~~
10 ~~pursuant to regulations adopted by the board, for a four-year term,~~
11 ~~commencing upon the expiration of the term in existence on~~
12 ~~January 1, 2003.~~

13 ~~(7) One member who is a retired member of the Defined~~
14 ~~Benefit Program, or a participant receiving an annuity under the~~
15 ~~Cash Balance Benefit Program elected by the retired members of~~
16 ~~the Defined Benefit Program, members of the Defined Benefit~~
17 ~~Program receiving a disability allowance, and the participants~~
18 ~~receiving an annuity under the Cash Balance Benefit Program.~~
19 ~~This member shall be elected pursuant to regulations adopted by~~
20 ~~the board, for a four-year term, commencing upon the expiration~~
21 ~~of the term in existence on January 1, 2003.~~

22 ~~(8) One officer of a life insurance company appointed by the~~
23 ~~Governor for a term of four years, subject to confirmation by the~~
24 ~~Senate.~~

25 ~~(9) One person representing the public, appointed by the~~
26 ~~Governor for a term of four years, subject to confirmation by the~~
27 ~~Senate.~~

28 ~~(b) The term of office of each member described in paragraphs~~
29 ~~(6) and (7) of subdivision (a) shall be adjusted so as to commence~~
30 ~~on January 1 and to expire on December 31 of the calendar year.~~

31 ~~(c) The members of the board shall annually elect a chairperson~~
32 ~~and vice chairperson.~~

33 ~~(d) A person who is employed to perform creditable service by~~
34 ~~both a community college district and a school district that~~
35 ~~provides instruction for grades K to 12, inclusive, or county office~~
36 ~~of education, may only be elected to the position on the board that~~
37 ~~corresponds to the position in which they accrued the most service~~
38 ~~credit during the prior school year.~~

39 ~~(e) A person who is employed to perform creditable service by~~
40 ~~both a community college district and a school district that~~

1 provides instruction for grades K to 12, inclusive, or county office
2 of education, may only vote in the board election that corresponds
3 to the position in which they accrued the most service credit during
4 the prior school year.

5 SEC. 2.

6 SECTION 1. Section 22200 of the Education Code is
7 repealed.

8 22200. —(a) The plan and the system are administered by the
9 Teachers' Retirement Board. The members of the board are as
10 follows:

11 (1) The Superintendent of Public Instruction.

12 (2) The Controller.

13 (3) The Treasurer.

14 (4) The Director of Finance.

15 (5) One person who, at the time of appointment, is a member
16 of the governing board of a school district or a community college
17 district.

18 (6) Three persons who are either members of the Defined
19 Benefit Program or participants in the Cash Balance Benefit
20 Program, as follows:

21 (A) Two persons who, at the time of appointment, are
22 classroom teachers in kindergarten or grades 1 through 12.

23 (B) One person who, at the time of appointment, is a
24 community college instructor with expertise in the areas of
25 business or economics or both business and economics and who
26 shall be appointed by the Governor for a term of four years from
27 a list submitted by the Board of Governors of the California
28 Community Colleges.

29 (7) One person who is either a retired member under this part
30 or a retired participant under Part 14 (commencing with Section
31 26000).

32 (8) One officer of a life insurance company appointed by the
33 Governor for a term of four years, subject to confirmation by the
34 Senate.

35 (9) One officer of a bank or a savings and loan institution who
36 has had at least five years of broad professional investment
37 experience handling various asset classes such as stocks, bonds,
38 and mortgage investments and who shall be appointed by the
39 Governor for a term of four years, subject to confirmation by the
40 Senate.

~~(10) One person representing the public, appointed by the Governor for a term of four years, subject to confirmation by the Senate.~~

~~(b) The members of the board described in paragraphs (5) and (7) and subparagraph (A) of paragraph (6) of subdivision (a) shall be appointed by the Governor for four-year terms from a list submitted by the Superintendent of Public Instruction.~~

~~(c) The members of the board shall annually elect a chairperson and vice chairperson.~~

SEC. 2. Section 22200 is added to the Education Code, to read:

22200. (a) The plan and the system are administered by the Teachers' Retirement Board. The members of the board are as follows:

(1) The Superintendent of Public Instruction.

(2) The Controller.

(3) The Treasurer.

(4) The Director of Finance.

(5) Three persons who are either members of the Defined Benefit Program or participants in the Cash Balance Benefit Program, as follows:

(A) One person who, at the time of election, is an active member of the Defined Benefit Program or an active participant of the Cash Balance Benefit Program employed by a school district that provides instruction for grades K to 12, inclusive, or a county office of education, in a position other than a school administrator that requires a services credential with a specialization in administrative services. This member shall be elected by the active members of the Defined Benefit Program and active participants of the Cash Balance Benefit Program who are employed by a school district that provides instruction for grades K to 12, inclusive, or county office of education, pursuant to regulations adopted by the board, for a four-year term commencing on January 1, 2004.

(B) One person who, at the time of election, is an active member of the Defined Benefit Program or an active participant of the Cash Balance Benefit Program employed by a school district that provides instruction for grades K to 12, inclusive, or a county office or education. This member shall be elected by the active members of the Defined Benefit Program who are employed by a

1 school district that provides instruction for grades K to 12,
2 inclusive, or a county office of education, pursuant to regulations
3 adopted by the board, for a four-year term commencing on
4 January 1, 2004.

5 (C) One person who, at the time of election, is a community
6 college instructor and an active member of the Defined Benefit
7 Program or an active participant of the Cash Balance Benefit
8 Program employed by a community college district, who shall be
9 elected by the active community college members of the Defined
10 Benefit Program and the active community college participants of
11 the Cash Balance Benefit Program, pursuant to regulations
12 adopted by the board, for a four-year term commencing on
13 January 1, 2004.

14 (6) Five persons appointed by the Governor for a term of four
15 years, subject to confirmation by the Senate, as follows:

16 (A) One person who, at the time of appointment, is a member
17 of the governing board of a school district or a community college
18 district.

19 (B) One person who is either a retired member under this part
20 or a retired participant under Part 14 (commencing with Section
21 26000).

22 (C) Three persons representing the public, whose terms shall be
23 staggered by varying the first terms of these members.

24 (b) The members of the board shall annually elect a
25 chairperson and vice chairperson.

26 SEC. 3. Section 22200.5 is added to the Education Code, to
27 read:

28 22200.5. (a) The board shall conduct the elections of
29 members described in ~~paragraphs (6) and (7) of subdivision (a) of~~
30 Section 22200 pursuant to regulations adopted by the board.

31 (b) The board shall hold special elections to fill vacancies that
32 occur during the term of the elected members of the board. If, at
33 the time a vacancy occurs, the unexpired term is less than two
34 years, the new member elected to fill the vacancy shall hold office
35 for a period equal to the remainder of the term of the vacated office
36 plus four years.

37 (c) The regulations adopted by the board pursuant to this
38 section and Section 22200 shall not be subject to Article 3.5
39 (commencing with Section 11340) of Part 1 of Division 3 of Title
40 2 of the Government Code.

1 (d) The regulations adopted by the board shall provide that the
2 elections be conducted in the most cost-effective manner deemed
3 feasible. The board, where practicable, shall consolidate election
4 mailings with other mailings and shall address any other feasible
5 cost-saving measures.

6 *SEC. 4. Sections 1 and 2 of this act shall become operative on*
7 *January 1, 2004.*

